

Assigned for all purposes to: Stanley Mosk Courthouse, Judicial Officer: Elizabeth Feffer

1 GREGORY W. SMITH (SBN 134385)
2 DIANA WANG WELLS (SBN 284215)
3 LEILA K. AL FAIZ (SBN 284309)
4 **LAW OFFICES OF GREGORY W. SMITH**
5 9100 Wilshire Boulevard, Suite 345E
6 Beverly Hills, California 90212
7 Telephone: [REDACTED]
8 Telecopier: [REDACTED]

9 Attorneys for Plaintiffs

10 **UNLIMITED JURISDICTION**
11 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
12 **FOR THE COUNTY OF LOS ANGELES**

13 STEPHEN ADAMUS, YVONNE AUSTIN,
14 SCOTT WOODS,

15 Plaintiffs,

16 vs.

17 COUNTY OF LOS ANGELES, a municipal
18 corporation, and DOES 1 through 100,
19 inclusive,

20 Defendants.

CASE NO. 19STCV35583

COMPLAINT FOR DAMAGES:

1. RETALIATION (LABOR CODE §
1102.5)

DEMAND FOR JURY TRIAL

21 **GENERAL ALLEGATIONS**

22 1. At all times relevant hereto, STEPHEN ADAMUS and YVONNE AUSTIN are
23 residents of the County of Los Angeles, State of California, and were and are competent
24 adults. SCOTT WOODS is a resident of the County of Riverside, and was and is a
25 competent adult. All Plaintiffs are referred to herein as "Plaintiffs".

26 2. At all times relevant hereto, Plaintiffs are employed by the Los Angeles
27 County Assessor's Office (the "Department"), and their duties include assessing real and
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1 personal property for purposes of taxation in the County of Los Angeles.

2 3. Plaintiffs are informed and believe and thereon allege that, at all times
3 relevant hereto, Defendant County of Los Angeles (the "County"), was an entity engaged
4 as a matter of commercial actuality in purposeful economic activity within the County of
5 Los Angeles, State of California, and at all times relevant hereto, County set the budget
6 and managed multiple administrative functions within the Los Angeles County Assessor's
7 Office (hereafter "Department"), which is an administrative agency of Los Angeles County.
8

9 4. Plaintiffs are informed and believe and thereupon allege that Defendants,
10 and each of them, were, at all times relevant hereto, residents of the County of Los
11 Angeles, State of California, and were agents, partners, and/or joint venturers of
12 Defendants and/or each other, acting as supervisors, managers, administrators, owners,
13 and/or directors or in some other unknown capacity.
14

15 5. The true names and capacities of Defendants DOES 1 through 100, and
16 each of them, whether individual, corporate, associate or otherwise, are unknown to
17 Plaintiffs at this time, who therefore sues said Defendants by such fictitious names.
18 Plaintiffs will file DOE amendments, and/or ask leave of court to amend this complaint to
19 assert the true names and capacities of these Defendants when they have been
20 ascertained. Plaintiffs are informed and believe, and upon such information and belief
21 allege, that each Defendant herein designated as a DOE was and is in some manner,
22 negligently, wrongfully, or otherwise, responsible and liable to Plaintiffs for the injuries and
23 damages hereinafter alleged, and that Plaintiffs' damages as herein alleged were
24 proximately caused by their conduct.
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26 6. Plaintiffs are informed and believe, and thereupon allege, that at all times
27 material herein the Defendants, and each of them, were the agents, servants, and
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1 employees, or ostensible agents, servants, or employees of each other Defendant, and as
2 such, were acting within the course and scope of said agency and employment or
3 ostensible agency and employment, except on those occasions when Defendants were
4 acting as principals, in which case, said Defendants, and each of them, were negligent in
5 the selection, hiring, and use of the other Defendants.

6
7 7. Plaintiffs are further informed and believe, and thereupon allege, that at all
8 times relevant hereto, Defendants, and each of them, acted in concert and in furtherance
9 of the interests of each other Defendant.

10 8. This court is the proper court because injury or damage to Plaintiffs occurred
11 in its jurisdictional area.

12 9. Plaintiffs have complied with and/or exhausted any applicable government
13 claims statutes and/or administrative and/or internal remedies and/or grievance
14 procedures, or are excused from complying therewith.
15

16 **FACTS IN COMMON TO ALL PLAINTIFFS**

17 10. The Los Angeles County Assessor is the assessor and officer of the
18 government of Los Angeles County responsible for discovering all taxable property in Los
19 Angeles County, to inventory and list the taxable property, to value the property and to
20 enroll the property on the local assessment roll. The Assessor also makes determinations
21 on which properties are exempt or excluded from property taxes and which properties
22 should be reassessed as a result of a change in ownership.
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24 11. After a property changes ownership, it is reassessed to determine the
25 property's current value for purposes of taxation. Taxpayers may question a
26 reassessment of their property, or request an exemption or an exclusion, if they believe
27 their property should not be reassessed or even taxed at all.
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1 12. During the time Plaintiffs were complaining about unlawful activities
2 described below, they were employed as Property Assessment Specialists in the
3 Assessor's Office. More specifically, Plaintiffs followed California Tax Codes and
4 Regulations, and after a taxpayer filed a complaint, determined whether a property should
5 have been reassessed, exempted or excluded from having their property reassessed for
6 the value of their property taxes. Consequently, this required all of the Plaintiffs to review
7 a case history, review applicable codes and regulations, communicate with the aggrieved
8 taxpayer, and make determinations on whether the reassessment should stand.

10 13. Further, Plaintiffs would act as advocates and actually try cases before the
11 Los Angeles County Assessment Appeals Board, a quasi-judicial entity that has the
12 authority to litigate and make binding decisions concerning taxpayer's complaint. This
13 would require case preparation, designating witnesses and actually engaging in argument
14 before the Board.

16 14. Additionally, Plaintiffs would assist Los Angeles County Counsel in superior
17 court proceedings if a taxpayer decided to appeal an Appeals Boards final determination.

18 15. Plaintiff Adamus is a Property Assessment Specialist and engaged in all of
19 the activities, and more, as described in Paragraphs 11 through 14 herein. Plaintiff
20 Adamus worked in the Assessor's Headquarters, the nerve center of the Assessor's
21 change of ownership operation, until March 18, 2019, at which time he was transferred out
22 of Assessor's Headquarters and moved as a result of the unlawful activities he disclosed
23 and refused to engage in that will be described more fully below. Currently, Adamus has
24 been wrongfully reassigned and relocated, he often spends his days with no assignments
25 and no work. His current position is menial and when he is assigned work, the vast
26 majority of duties are the duties of an ownership specialist or clerk.
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1 16. Adamus went from being entrusted with making reassessment
2 determinations that were final and would be defended at the Appeals Board to making
3 reassessment recommendations. Prior to his March 18, 2019 transfer, Adamus worked
4 directly with, and under the tutelage of, the Senior and Principal Property Assessment
5 Specialists on important issues. The ranking Assessment Specialists were able to
6 appraise Adamus' performance and promotability. After his transfer, Adamus works in a
7 district office away from the nerve center; he is supervised by a real property appraiser
8 who is not familiar with the work he performs or the laws that control that work which
9 significantly prejudices any appraisal of Adamus' performance and promotability. The
10 transfer has severely impacted Adamus' ability to advance in his career.

12 17. Plaintiff Woods is a Senior Property Assessment Specialist and was senior
13 to Adamus. Wood is a 23-year veteran of the Assessor's Office and engaged in all of the
14 activities, and more, as described in Paragraphs 11 through 14 herein. Plaintiff Woods
15 worked in the Legal Services Section until March 18, 2019 at which time he was
16 transferred out of Legal Services and moved as a result of the unlawful activities he
17 disclosed and refused to engage in that will be described more fully below. Currently,
18 Woods has been wrongfully reassigned and relocated, he often spends his days with
19 mundane assignments that are typically done by an ownership specialist or a clerk.

21 18. Plaintiff Austin was a manager of the Legal Services Unit and until March
22 18, 2019, retained a property assessment specialist and was responsible for review of
23 Investigations on Changes in Ownership. On March 19, 2019, she was relieved of all her
24 managerial duties and her remaining property assessment specialist was transferred out
25 of her domain. She was removed from attending regular meetings including the Real
26 Estate Fraud Task Force. She was informed that she was not going to return to Legal
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1 Services. She has currently been on a special project asked to make recommendations
2 on process improvements that primarily relate to clerical functions. She produces
3 documentation on the simplest issues relative to processing documents on ownership.
4 Plaintiff Austin is Principal Property Assessment Specialist and a supervisor in Legal
5 Services. Austin engaged in all of the activities, and more, as described in Paragraphs 11
6 through 14 herein. Plaintiff Austin was a supervisor in the Legal Services Section until
7 March 18, 2019, when she was relieved of all of her supervisorial duties. Austin was
8 transferred out of Legal Services and currently has been on a special project asked to
9 make recommendations on "making process improvements." She doesn't produce any
10 documentation other than creating mundane, simple recommendation sheets that are
11 rarely acted upon. Austin sits alone in a former computer service room with no windows,
12 no staff, no colleagues and she has been completely isolated. These actions were taken
13 as a result of the unlawful activities she disclosed and refused to engage in that will be
14 described more fully below.
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17 All of the Plaintiffs have repeatedly complained: (1) that connected taxpayers
18 unlawfully obtain favorable tax treatment; (2) that the tax code is routinely violated by
19 County employees, including County Counsel for the benefit of connected taxpayers; (3)
20 that the Department engages in special tax treatment in violation of law and state
21 regulations for what Plaintiffs believe is a quid pro quo for campaign contributions by
22 entities and individuals; (4) that County counsel routinely violates the law by intentionally
23 losing cases for connected taxpayers; (5) that all Plaintiffs have been pressured to
24 unlawfully change unfavorable tax decisions they made during a taxpayer's
25 reassessment; (6) that all Plaintiffs have been encouraged to unlawfully change
26 unfavorable tax decisions they made against a taxpayer's reassessment; (7) that all
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1 Plaintiffs have been directed to act in conspiracy in violation of Penal Code section 424
2 (Misuse of Public Funds) to pay public money for reimbursement when an individual or
3 entity was not legally entitled to the money; (8) that Plaintiffs were directed to not use
4 email when communicating with their superiors when a violation of law had occurred in a
5 conspiracy to hide illegal activities; (9) that Plaintiffs refused to go along with illegal,
6 unlawful conduct by County Counsel and the Assessor. These unlawful actions included
7 County counsel "physically" changing the filing dates on applications that were deemed
8 late and invalid pursuant to the statute of limitations; (10) and that it was illegal and
9 unlawful to retroactively change decisions that were already made by the Assessment
10 Appeals Board to benefit a taxpayer.

12 19. Plaintiffs were instructed that "Executive Referrals" or "Pinks" were special
13 cases sent to their office by elected members of the Board of Supervisors or the executive
14 staff of the Assessor. This policy was actually issued in writing and issued as
15 Administrative Memorandum #2012-106.

17 20. When an Executive Referral was made, Plaintiffs were to drop all of their
18 work and complete the Exclusion, Exception and/or Exemption within 10-days. Plaintiffs
19 were urged to find in favor of the individual or entity if it was an Executive Referral,
20 notwithstanding the law and regulations. Further, when Plaintiffs made an assessment
21 based upon the law against a special taxpayer, it was common for executive staff to
22 request (1) re-review of the assessment, (2) have another staff member that might be
23 more amenable to re-review an assessment, and (3) turn the case over to county counsel
24 for re-review.

26 21. Consequently, this policy permitted individuals or entities to unlawfully
27 receive millions of dollars in public funds. Plaintiffs refused to provide special services to
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1 taxpayers for unlawful purposes and repeatedly disclosed that they would not engage in
2 actions they reasonably believed were violations of law. Assistant Assessor George
3 Renkie and Chief Deputy Santos Kreimann told Plaintiffs that they were too zealous in
4 applying the law. However, Plaintiffs did not zealously apply the law, they simply applied
5 the law.

6 22. Plaintiffs repeatedly complained and refused to engage in unlawful activity
7 by way of illegally reimbursing public funds or finding exclusions, exceptions or
8 exemptions for connected taxpayers. Plaintiffs allege, on information and belief, that the
9 Assessor, his executive staff and County Counsel, conspired to unlawfully and in violation
10 of Penal Code sections 424, 487 and 182; 18 U.S. Code sections, 305, 326, and 371;
11 violations of California Code of Regulations Title 18 Rule 326 (which states an
12 adjudication by a Tax Appeal Board is final and shall not be reheard, reconsidered or
13 modified once a decision is made); violations of California Revenue and Tax code
14 sections 51.5 and 80 (no retroactive relief permitted).

15 23. On a more sobering note, Plaintiffs complained that County Counsel would
16 purposely "fix" cases so that the County of Los Angeles would lose in the Superior Court.
17 County counsel lost cases that were clearly well beyond the statute of limitations in which
18 there was no tolling event. Although these cases should have been dismissed outright,
19 County Counsel entered into settlement agreements and, in one case, which will be
20 discussed below, paid out \$1,500,000.00 of County money. Plaintiffs, on information and
21 belief, believe there was a quid pro quo in these cases and that they were either
22 Executive referrals or political favors.

23 24. Another troubling issue arose when the Assessor's office intentionally
24 reversed findings that were already rendered final by law after a claim had been
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1 adjudicated by the Assessment Appeals Board. Plaintiffs repeatedly complained about
2 this issue to the Assessor's executive staff, but the illegal activities continued.

3 25. As a result of Plaintiffs' refusal to participate in and/or disclosures of one or
4 more violations of California Revenue and Taxation Code Sections 51.5, 80, 60 through
5 69.5; California Penal Code Sections 424 487 and 182 (Misuse of public funds); 18 U.S.
6 Code section, 305, 326, and 371; violations of California Code of Regulations Title 18
7 Rule 326 (which states an adjudication by a Tax Appeal Board is final and shall not be
8 reheard, reconsidered or modified once a decision is made); the Los Angeles County
9 Charter and other applicable statutory and regulatory rules; and other applicable federal,
10 state, local statutes, rules, and regulations, the Department retaliated against them, as
11 set forth below.
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15 **PARTICULAR INSTANCES OF WHISTLEBLOWING ACTIVITY:**

16 **RAND CORPORATION**

17 26. In or around 2015, Plaintiffs found that Rand Corporation was not exempt
18 from paying property taxes on an exchange of property located in Santa Monica, after
19 Rand requested a welfare exemption. In order to obtain a welfare exemption, an entity
20 must pass what's called a Community Benefit Test. Plaintiffs found that Rand did not
21 pass the Community Benefit Test because Rand made hundreds of millions of dollars
22 yearly by contracting with private companies and the U.S. Government. Plaintiffs further
23 found that Rand's only benefit to the "Community" consisted of two studies Rand
24 conducted on Los Angeles County a decade before its exemption request. As such, the
25 Guidelines clearly show that Rand did not qualify for an exemption.
26

27 27. In addition to requesting that it pay no property taxes in the future, Rand
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1 requested a refund of approximately \$1,500,000.00 in paid past property taxes, even
2 though the statute of limitations had clearly passed and Rand as a matter of law was not
3 entitled to any refund even if it had been found to be exempt.

4 28. Plaintiffs were told to keep a hands-off approach with the RAND, although
5 the claim was untimely and barred by the statute of limitations. However, despite the
6 demand by his superiors, Plaintiffs rejected Rand's Claim and Rand appealed to the
7 Superior Court.
8

9 29. Once the case moved to the Superior Court, County Counsel litigated the
10 case on behalf of the County of Los Angeles. Plaintiffs were kept in the dark during the
11 litigation and Plaintiff Adamus was notified that he was to stay away from the case.

12 30. Rand filed a motion for Summary Judgment asking the trial court to rule in its
13 favor claiming it was entitled to a property tax exemption and a refund of approximately
14 \$1,500,000.00. County Counsel did not zealously represent the interests of the people of
15 the County of Los Angeles. The County filed a lukewarm opposition to Rand's motion for
16 summary judgment and in 2016, entered into some form of settlement agreement with Los
17 Angeles County. In the settlement agreement, Rand was granted exemption from paying
18 any property taxes in perpetuity. Rand was also refunded the \$1,500,000.00 it had paid
19 even though the statute of limitations for requesting those funds had clearly expired.
20

21 31. As a result of the decision to settle, Adamus complained by email to Chief
22 Deputy Santos Kreimann and Assessor Jeffrey Prang that the County had intentionally
23 lost the case and that the public had been harmed by the loss. No action was taken by
24 the County to correct this appalling theft of taxpayer money.
25

26 32. After Adamus complained, he was told by manager Paul Cunnane "If you
27 care about your career and employment, you'll stay away from the case."
28

GMW LIMITED, LLC

33. Plaintiff Woods was involved with GMW Limited, LLC, a company involved in the transfer of parcels of real property that were reassessed as a result of the transfers. Woods acted as an advocate and took the case to the Assessment Appeals Board, an Agency created by Los Angeles County to resolve disputes as to whether a transfer of property results in a change of ownership under the law. Under Section 80 of the Revenue and Taxation Code, once a decision is final only the Superior Court can change the decision.

34. Plaintiff Woods won the case against GMW. However, instead of taking the case to the Superior Court, the company sought a rescission of the finding based upon the Assessor's Rescission policy. Plaintiff complained to his supervisor Eddie Wen that it would be improper to grant rescission and ignore the Board's final decision because it violated Section 80 the Revenue and Taxation Code.

35. Plaintiff Woods sent a memo to Santos Kreimann, Steven Hernandez and George Renkei, stating that the use of the Assessor's rescission policy in this case, violated the law under Section 80 since a decision by the Assessment Appeals Board is conclusive. One week later, Plaintiff was removed from his position and transferred.

JOHN BARGER PROPERTY SWAP

36. John Barger was a trustee of a piece of property in San Marino. Barger was the prior president of LACERA and he is the brother of Kathryn Barger, Los Angeles County Supervisor of District 5.

37. John Barger engaged in a swap of the property ("trust property") he managed as a trustee for San Marino city property ("city property") which was significantly higher in value than the trust property. This swap caused an assessment of the city

1 property that came into the possession of the trust. The city property that was swapped
2 was valued at approximately 2.5 million dollars. The trust property was valued in the
3 range of \$500,000.00. Barger requested a Welfare Exemption for the property, claiming
4 that it was going to be used by the Boy Scouts. However, a request for an exemption was
5 never filed.

6
7 38. Since an exemption cannot be granted if not filed, the issue was referred to
8 County Counsel for review on the options available and County Counsel wrote a memo.
9 The Plaintiffs requested the memo, but it was never provided to them. Consequently, the
10 Plaintiffs determined that there was a change in ownership and that the property should
11 be reassessed for a new base tax subject to the restrictions on the property.

12 39. Later, over Plaintiffs' objections, the property was classified as an Eminent
13 Domain taking and approved by someone unknown to Plaintiffs. Designating this transfer
14 as an Eminent Domain taking was illegal and Plaintiffs complained that such a designation
15 and corresponding reduction in tax was illegal and a violation of law.
16

17 **APARTMENT OWNERS ASSOCIATION OF GREATER LOS ANGELES**

18 40. Three brothers, transferred a property from their individual names into an
19 LLC. The LLC was comprised of the 3 brothers and added to the spouse of one of the
20 brothers creating an LLC with 4 individuals. As a result of the addition of the spouse to
21 the LLC, the property was reassessed by Plaintiffs, and property taxes were increased.
22

23 41. During a banquet at the Apartment Owners Association, one of the
24 brothers introduced himself to the Assessor, Jeffrey Prang and informed Prang that he
25 was the past president and current director of the Apartment Owners Association. After
26 the event, the brother emailed Prang and requested his assistance in obtaining a
27 reassessment reversed.
28

42. As a result of the meeting between Prang and the Assessor, the property was sent back for re-review. Hector Ruiz, the ownership Clerk said the assessment would not be changed. Byron Scott McDonald from Legal Services said the assessment would not be changed. Chief Deputy Assessor Santos tried to convince Carolyn James to reverse the re-assessment of the property, but she refused and sent the matter to County Counsel, where the original re-assessment was illegally and promptly reversed in favor of the LLC, and the previous base year of the property was unlawfully restored.

43. Plaintiffs complained that County Counsel's action in reversing the re-assessment of the property was a violation of law and was improper.

THE ARMENIAN SOCIETY

44. Revenue and Taxation Code Section 68 and Rule 462.500 permits an old property assessment value to move over to a new property when the new property is purchased after a government taking.

45. In order to qualify for this beneficial tax treatment a party must acquire the new land and structure within a 4-year period.

46. The Armenian Society purchased new land within the 4-year period, filed a claim in 2008, and made improvements to the land by constructing a building. The building was completed in 2010, 7-years after the taking, and was not subject to any offsets because the law specifically states that improvements are not acquired until after the improvements are completed. Consequently, Plaintiffs found that the building should be assessed for payment of taxes. Plaintiffs refused to exempt the building from taxes.

47. After Plaintiffs refused to grant an exclusion for the building, Edward Yen, former General Counsel for Legal Services, currently Director of Operations, unlawfully reversed the assessment wiping out hundreds of thousands of dollars in back taxes owed

1 by the Armenian Association.

2 **LUXOR PROPERTIES**

3 48. Plaintiffs Austin and Adamus were assigned to re-review a change of
4 ownership when the property was transferred between some individuals and a Limited
5 Liability Corporation ("LLC"). The LLC requested an exclusion from a reassessment of
6 taxes after the transfer. The Assessor staff determined there was a change in ownership
7 based on documentation and evidence they received.

9 49. Plaintiffs found there was no legally recognizable exclusion. Luxor filed an
10 untimely a claim to appeal the decision with the Assessment Appeals Board. After a full
11 hearing, the Board denied the exclusion and ruled for the County. The Board upheld the
12 assessed value of the property approximately \$5,000,000.00.

13 50. On May 18, 2017, Luxor filed a writ of mandamus in the Superior Court.
14 The writ was filed untimely and was barred by the statute of limitations.

16 51. With no hearing, no motion for summary judgment and a writ clearly filed
17 after the statute of limitations had passed, County Counsel entered into a settlement
18 agreement with Luxor and valued the property at approximately 1.4 million dollars.

19 **PRISCILLA BOX**

20 52. Box involved a transfer of a 4-plex from an individual to a pension plan. The
21 transfer to a pension plan triggered a reassessment of the property because of a change
22 of ownership. Box filed two claims, 2013-00052 and 2013-020182 with the Assessment
23 Appeals Board. The claims were identical, both requested a reverse assessment so that
24 the property taxes would not increase.

26 53. Claim 2013-00052 was tried before the Assessment Appeals Board by
27 Adamus, and the County prevailed with the Board finding that a change of ownership had
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1 occurred. Claim 2013-020182 was denied by the Board because it was a duplicative
2 claim that had already been adjudicated.

3 54. Box filed a writ of mandamus for 2013-020182, the case that was
4 dismissed as duplicative, and did not file a writ for 2013-00052, the case that was actually
5 heard by the Board. The case was legally dead.

6 55. Over the objections of Plaintiffs, County Counsel unlawfully entered into a
7 settlement agreement with the taxpayer, ignoring the Board's holding and provided Box
8 with multiple tax refunds. Austin complained to her supervisors that County Counsel was
9 intentionally losing lawsuits and illegally paying claimants with county money.

10 56. Plaintiffs were asked by County Counsel to authorize the release of tax
11 refunds for years 2011 and 2012 which were barred by the statute of limitations found in
12 Revenue and Taxation Code section 80. Plaintiffs refused to authorize the unlawful
13 refunds. Management proceeded to authorize the refunds without the assistance of the
14 Plaintiffs.

15 PALEY CENTER

16 57. Paley Center illegally entered into a void contract with Los Angeles County
17 over the assessment of a building that was valued at approximately \$40,000,000.00.

18 58. Plaintiff Austin was approached by a co-worker who had informed her that
19 Paley Center had entered into an agreement with County Counsel in which it would not be
20 obligated to pay any future taxes.

21 59. Austin had a meeting with the Chief Deputy Assessor Kreimann and
22 Assistant Assessor Reinke, where she explained that the contract was void and against
23 public policy and a violation of law. Both individuals said they would take care of the issue
24 and that it shouldn't have happened, but no action was taken. The County provided Paley
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1 Center with approximately a \$400,000.00 refund.

2 **ISY, LLC**

3 60. ISY, LLC requested a reversal of a reassessment of a property it owned.
4 The reassessment was denied by Plaintiffs.

5 61. ISY, LLC then filed a Claim with the Assessment Appeals Board. However,
6 the case was dismissed because ISY, LLC did not file its claim within the statute of
7 limitations.
8

9 62. County Counsel entered into a stipulated agreement (1) to set aside the
10 Board's ruling that the Claim was not timely filed, and (2) to allow a hearing to be
11 conducted on the merits by a Board comprised of new hearing officers.

12 63. The application that was filed late was backdated by County Counsel to
13 bring the application within the statute of limitations.
14

15 64. Plaintiffs, and each of them repeatedly objected to this unlawful conduct.
16 Plaintiffs appeared at a hearing and made objections on the record to this unlawful
17 conduct. As a result of their complaints, Edward Yen sent a lawyer from County Counsel
18 to order Plaintiffs to stop complaining about the unlawful activity. A Senior Deputy from
19 County Counsel's office told Scott, who told the others, objection to these illegal activities
20 was not a good career move.
21

22 **SWEETZER, STOCKER, DRYDEN**

23 65. Sweetzer, LLC, Stocker, LLC, and Dryden, LLC (the LLCs) each had their
24 own real property lawfully reassessed due to transfers that caused a change in ownership.

25 66. The LLCs' agent contacted the Assessor executive staff in hopes of getting
26 the reassessments reversed. Assessor executive staff in turn attempted to get Plaintiffs to
27 reverse the reassessments. Plaintiffs repeatedly informed the Assessor's executive staff
28

1 that there was no lawful means to re-assess the transfers of property and issue refunds
2 based on a rescission deed. Plaintiffs refused to reverse the re-assessments.

3 67. The LLCs filed assessment appeal applications with the Appeals Board.
4 The hearing occurred in January 2017. Plaintiff Woods conducted the hearing as the
5 Assessor's Representative. Plaintiff Woods argued before the Appeals Board that there is
6 no lawful basis to reverse a reassessment based on a rescission deed and he argued that
7 a rescission deed is also subject to change in ownership laws.
8

9 68. After the matter was taken under submission by the Appeals Board,
10 Assessor General Counsel Edward Yen inappropriately contacted LLCs' tax agent behind
11 closed doors and assured him that all of the reassessments would be reversed; further,
12 Assessor General Counsel Edward Yen inappropriately approached the Appeals Board
13 and asked the Board to delay issuing a ruling in order to allow the Assessor time to
14 reverse the reassessments.
15

16 69. In violation of California law, all of the reassessments were reversed and
17 each LLC received extensive tax refunds at which time the LLCs withdrew all of their
18 appeal applications so that the Appeals Board was unable to adjudicate the case. The
19 assessor, in collusion with the LLCs' tax agent and the Appeals Board, circumvented the
20 property tax appeal process.
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22
23 **FIRST CAUSE OF ACTION**

24 **FOR WHISTLEBLOWER RETALIATION (LABOR CODE § 1102.5)**

25 **AGAINST ALL DEFENDANTS, AND EACH OF THEM**

26 70. Plaintiffs repeat and re-allege each and every allegation set forth in
27 paragraphs 1 through 69 above, and incorporate same by reference as though set forth
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1 fully herein.

2 71. Defendants, and each of them, made, adopted, and/or enforced rules,
3 regulations, and/or policies designed to prevent Plaintiffs and other employees from
4 disclosing information to a government or law enforcement agency, which Plaintiffs had
5 reasonable cause to believe disclosed violations of state or federal statutes or regulations.

6 72. As set forth more fully above, Plaintiffs engaged in legally protected activities
7 under *Labor Code* sections 1102.5 and 1102.6, by refusing to participate in an activity that
8 would result in a violation of law, and by disclosing to the County of Los Angeles and the
9 Los Angeles County Assessor's Office which Plaintiffs had reasonable cause to believe
10 disclosed violations of California Revenue and Taxation Code Sections 51.5, 80, 60
11 through 69.5; California Penal Code Section 424 (Misuse of public funds); violations of
12 California Penal Code Sections 424 487 and 182 (Misuse of public funds); 18 U.S. Code
13 section, 305, 326, and 371; violations of California Code of Regulations Title 18 Rule 326
14 (which states an adjudication by a Tax Appeal Board is final and shall not be reheard,
15 reconsidered or modified once a decision is made); the Los Angeles County Charter and
16 other applicable statutory and regulatory rules, and other applicable federal, state, and
17 local statutes, rules, and regulations.

18 73. Defendants, and each of them, and their respective supervisors, managers,
19 officers, agents, and employees, retaliated against Plaintiffs for engaging in activities
20 protected under *Labor Code* section 1102.5 by subjecting them to multiple adverse
21 employment actions, stand-alone actions and/or an ongoing series of actions, including
22 but not limited to the above-described actions and impacting the ability of Plaintiffs to
23 promote or advance, which have caused substantial and material adverse effects on the
24 terms and conditions of Plaintiffs' employment. Said actions of retaliation were a direct
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1 violation of *Labor Code* section 1102.5, and pursuant to *Labor Code* section 1102.6,
2 Defendants, and each of them, have the burden of proof to demonstrate by clear and
3 convincing evidence that each of the adverse employment actions alleged herein would
4 have occurred for legitimate, independent reasons even if Plaintiffs had not engaged in
5 activities protected by *Labor Code* section 1102.5.

6
7 74. A contributing cause for Defendants, and each of them, engaging in the
8 foregoing adverse employment actions against Plaintiffs were to retaliate against Plaintiffs
9 for engaging in the above-described protected activities.

10 75. As a result of the aforesaid unlawful acts of Defendants, and each of them,
11 Plaintiffs have suffered and may continue to suffer loss of income, wages, earnings,
12 bonus pay and earning capacity, loss of overtime, loss of pension and benefits, inability to
13 promote, loss of income from employment opportunities outside the County of Los
14 Angeles, and other economic loss, causing Plaintiffs to sustain damages in an amount to
15 be ascertained according to proof.
16

17 76. As a further legal result of the conduct of Defendants, and each of them,
18 Plaintiffs have suffered and will continue to suffer physical, mental, and emotional injuries,
19 pain, distress, suffering, anguish, fright, nervousness, grief, anxiety, worry, shame,
20 mortification, injured feelings, shock, humiliation and indignity, as well as other unpleasant
21 physical, mental, and emotional reactions, damages to reputation, and other non-
22 economic damages, in a sum to be ascertained according to proof. Said damages are of
23 the type that any person would suffer as result of the illegal and wrongful conduct of
24 Defendants. Plaintiffs do not claim that they have suffered any psychiatric illness as a
25 result of the conduct of Defendants.
26

27 77. As a further legal result of the conduct of Defendants, and each of them,
28

1 Plaintiffs were required and/or in the future may be required to engage the services of
2 health care providers, and incurred expenses for health care, services, supplies,
3 medicines, health care appliances, modalities, and/or other related expenses in a sum to
4 be ascertained according to proof.

5 78. As a further legal result of the conduct of Defendants, and each of them,
6 Plaintiffs suffered other incidental and consequential damages, in an amount according to
7 proof.
8

9 79. As a further legal result of the conduct of Defendants, and each of them,
10 Plaintiffs are entitled to attorney's fees pursuant to *C.C.P.* section 1021.5, and any other
11 section that provides for attorney's fees pursuant to *Labor Code* sections 1102.5 and
12 1102.6, and costs in an amount according to proof.

13 80. As a further legal result of the conduct of Defendants, and each of them,
14 Plaintiffs are entitled to prejudgment interest pursuant to California *Civil Code* section
15 3287 and/or any other provision of law providing for prejudgment interest.
16
17

18 PRAYER

19 **WHEREFORE**, Plaintiffs seeks judgment against all Defendants, and each of them,
20 for:
21

22 1. Physical, mental, and emotional injuries, pain, distress, suffering, anguish,
23 fright, nervousness, grief, anxiety, worry, shame, mortification, injured feelings, shock,
24 humiliation and indignity, as well as other unpleasant physical, mental, and emotional
25 reactions, damages to reputation, and other non-economic damages, in a sum to be
26 ascertained according to proof;

27 2. Health care, services, supplies, medicines, and other related expenses in a
28

1 sum to be ascertained according to proof;

2 3. Loss of wages, income, earnings, earning capacity, overtime, pension,
3 benefits, inability to promote, and other economic damages in a sum to be ascertained
4 according to proof;

5 4. Other actual, consequential, and/or incidental damages in a sum to be
6 ascertained according to proof;

7 5. Attorneys' fees and costs of suit pursuant to *C.C.P.* section 1021.5 and other
8 authorities;

9 6. Costs of suit herein incurred;

10 7. Pre-judgment interest; and

11 8. Such other and further relief as the Court may deem just and proper.
12
13
14

15 Dated: October 4, 2019

LAW OFFICES OF GREGORY W. SMITH

16 By: 

17 GREGORY W. SMITH
18 DIANA WANG WELLS
19 LEILA K. AL FAIZ
20 Attorneys for Plaintiffs
21 STEPHEN ADAMUS
22 SCOTT WOODS
23 YVONNE AUSTIN
24
25
26
27
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